

MPC - Geology
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leslie

6-3-2015

To:

Leslie Heppler
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JUN 08 2015

DIV. OF OIL, GAS & MINING

Subject: Notice - Core Drilling – Round Valley Quarry, Morgan, Utah – M0290004

Dear Ms. Heppler,

Thank you for our conversation several weeks ago concerning core drilling activities at the Round Valley Quarry, Morgan, Utah. As we discussed, the core drilling is part of our continuing mining activities with Joe Rees, Round Valley Rock. The core drilling activities are within the LMO permit and bonded boundary. The core drill samples will be used to advance the quarry.

Since our conversation the project has been modified and expanded to four core holes described below:

- 4 core holes in competent limestone, thin to thick bedded, with shale partings
- Two holes will be drilled at each location – one vertical, the other at -45 degrees
 - #1 - ~400 feet at -45 degrees
 - #2 - ~400 feet at -90 degrees (vertical)
 - #3 - ~400 feet at -45 degrees
 - #4 - ~400 feet at -90 degrees (vertical)

The drill holes will be immediately plugged from bottom to top with neat cement (a mixture of bentonite pellets and Portland cement).

Note that all the core drilling will be in a producing limestone quarry and that over time all the drill core holes will be consumed by mining.

Thank you for your consideration, if you have any questions or concerns please advise.

Expected drilling date is in July, 2015.

All activities will be in compliance with Rule R647-4. Large Mining Operations, R647-4-108:

R647-4-108. Hole Plugging Requirements.

Drill holes shall be properly plugged as soon as practical and shall not be left unplugged for more than 30 days without approval of the Division. The procedures outlined below are required for the surface and subsurface plugging of drill holes. The Division may approve an alternate plan, if the operator can prove to the satisfaction of the Division that another method will provide adequate protection to the groundwater resources and long term stability of the land. Dry holes and nonartesian holes which do not produce significant amounts of water may be temporarily plugged with a surface cap to permit the operator to re-enter the hole for the duration of operations.

1. Surface plugging of drill holes shall be accomplished by:

1.11. Setting a nonmetallic permaplug at a minimum of five (5) feet below the surface, or returning the cuttings to the hole and tamping the returned cuttings to within five (5) feet of ground level. The hole above the permaplug or tamped cuttings will be filled with a cement plug. If cemented casing is to be left in place, a concrete surface plug is not required provided that a permanent cap is secured on top of the casing.

1.12. If the area is tilled farmland, a five (5) foot cement plug must be placed above a permaplug or tamped cuttings so that the top of the cement plug is a minimum of three (3) feet below the ground surface. The hole above the cement plug is to be filled with soil. If cemented casing is to be left in place, a concrete surface plug is not required provided that a permanent cap is secured on top of the casing. The top of the casing and cap must be a minimum of three (3) feet below the ground surface.

2. Drill holes that encounter water, oil, gas or other potential migratory substances and are 2-1/2 inches or greater in surface diameter shall be plugged in the subsurface to prevent the migration of fluid from one strata to another. If water is encountered, plugging shall be accomplished as outlined below:

2.11. If artesian flow (i.e., water flowing to the surface from the hole) is encountered during or upon cessation of drilling, a cement plug shall be placed to prevent water from flowing between geologic formations and at the surface. The cement mix should consist of API Class A or H cement with additives as needed. It should weigh at least 13.5 lbs./gal., and be placed under the supervision of a person qualified in proper drill hole cementing of artesian flow. Artesian bore holes must be plugged in the described manner, prior to removal of the drilling equipment from the well site. If the surface owner of the land affected desires to convert an artesian drill hole to a water well, he must notify the Division in writing that he accepts responsibility for the ultimate plugging of the drill hole.

2.12. Holes that encounter significant amounts of nonartesian water shall be plugged by:

2.12.111 Placing a 50 foot cement plug immediately above and below the aquifer(s); or

2.12.112 Filling from the bottom up (through the drill stem) with a high grade bentonite/water slurry mixture.

The slurry shall have a Marsh funnel viscosity of at least 50 seconds per quart prior to the adding of any cuttings.

Sincerely,

Tom Newman, CPG, RG (Utah)
Chief Geologist
Holcim (US) Inc.



Cc:
Joe Rees
Ken George
Christian Meyre
David Fletcher
Mike Toelle